

Finance Report – Month 10

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| Report To (Meeting): | ONE Stockport Health and Care Board | | |
| Report From (Executive Lead) | Michael Cullen, Deputy Chief Executive (Section 151 Officer), and Locality Finance Lead, Stockport MBC | | |
| Report From (Author): | David Dolman, Associate Director of Finance, NHS Greater Manchester (Stockport) | | |
| Date: | 29 February 2024 | Agenda Item No: | 7 |
| Previously Considered by: | This report is being presented for the first time | | |

Purpose of the report:

This report provides an update on:

1. An update on the financial position of NHS Greater Manchester (Stockport) as at 31 January 2024 (Month 10).
2. Efficiency programme update.
3. Financial Recovery Group update.

Key points (Executive Summary):

Financial Performance

The NHS Greater Manchester (Stockport) is reporting a year-to-date (YTD) adverse variance of £4.088m (M8 £3.396m) and a forecast outturn adverse variance of £4.155m (M8 £3.784m).

The adverse variances relate to increasing demand for Continuing Health Care (CHC) and Mental Health services. Prescribing cost and volume pressures are also adversely impacting the financial position. These demand pressures are previously highlighted risks which have now materialised.

The £0.371 million deterioration in the forecast being reported at month 10 when compared to month 8 (last reported period) is due to:

- Increase in the number of mental health placements and ADHD assessment and treatment costs as patients exercise their right to choose (+£0.201 million).
- Prescribing cost and volume increases (+£0.300 million).
- Increase in the number of continuing healthcare packages of care commissioned and spot purchasing discharge to assess beds to support patient flow through Stepping Hill hospital (+£0.180 million).
- Community Services improvement due to the transfer of neuro rehabilitation placement expenditure to the correct NHS GM budget and a decrease in Audiology, IVF and Vasectomy activity from previous forecast levels (-£0.338 million).

Efficiency Programme



Efficiencies delivered YTD total £4.230m with forecast efficiencies of £4.439m which is £0.857m above the target of £3.582m (includes £0.167m locality corporate budget efficiency target). The improvement in the reported position is due to the support provided by the Viaduct medicines optimisation team including improving the recording and reporting of prescribing efficiencies.

Financial Recovery Group Update

A review of the terms of reference of the group has been undertaken with the following changes proposed:

- Change the name of the group from Financial Recovery Group to Stockport System Finance Group to reflect that the group’s membership is derived from all system partners and the remit of the group is wider than just financial recovery.
- The purpose and responsibilities of the group be updated to reflect the evolving NHS GM operating model and the recognition that the work programme of the Stockport System Finance Group needs to incorporate and align with the various NHS GM processes and workstreams.
- Streamline membership of the group from 16 to 10.

The terms of reference for the group with the proposed changes are provided at Appendix 1.

Recommendation:

Board are asked to:

- **Note** the financial position including identified financial risks.
- **Note** the efficiency programme update.
- **Approve** the System Finance Group terms of reference

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|-----------------|----------|--------------------------|----------|------------------------------|----------|
| Decision | X | Discuss/Direction | X | Information/Assurance | X |
|-----------------|----------|--------------------------|----------|------------------------------|----------|

| Aims (please indicate x) | | |
|---|--|----------|
| Which integrated care aim(s) is / are supported by this report: | People are happier and healthier and inequalities are reduced | |
| | There are safe, high-quality services which make best use of the Stockport pound | X |
| | Everyone takes responsibility for their health with the right support | |
| | We support local social and economic development together | |

| Conflicts of Interests | |
|----------------------------------|--|
| Potential Conflicts of Interest: | No conflicts of interest have been identified. |

| Risk and Assurance: | |
|--|---------------------------|
| List all strategic and high-level risks relevant to this paper | Deliver financial balance |

| Consultation and Engagement: | |
|---|-----|
| Local People / Patient Engagement: | N/A |
| Workforce Engagement: | N/A |

| Potential Implications: | | | | | | | |
|--|---|---|--|----|---|-----|--|
| Financial Impact: Please note - All reports with a financial implication require detail of the level of funding, funding stream and comments from Finance. | Non-Recurrent Expenditure | | | | | | |
| | Recurrent Expenditure (please state annual cost) | £151.758 million | | | | | |
| | Funding stream | Yes | | No | | | |
| | Included in the s75 Pooled Budget | £22.532m | | | | | |
| | GM ICB (Stockport) delegated budget | £151.758m of which £22.532m is pooled under s75 Agreement | | | | | |
| Other, please specify. | | | | | | | |
| Finance Comments: | NHS Greater Manchester is fully briefed via regular assurance meetings on the issues impacting the financial position including identified financial risks. | | | | | | |
| Performance Impact: | To recover the financial position expenditure on services will need to be reduced which may impact performance. | | | | | | |
| Workforce Impact: | Reduce agency expenditure | | | | | | |
| Quality and Safety Impact: | No | | | | | | |
| Compliance and/or Legal Impact: | Financial duty for the NHS Greater Manchester to breakeven | | | | | | |
| Equality and Diversity: | General Statement: | | | | | | |
| | Has an equality impact assessment been completed? | Yes | | No | X | N/A | |
| | If Not Applicable please explain why | | | | | | |
| Environmental Impact: | General Statement: | | | | | | |
| | Has an environmental impact assessment been completed? | Yes | | No | X | N/A | |
| | If Not Applicable please explain why | | | | | | |